



MEMORANDUM

TO: Directors of the Corporation

FROM: John F. Spencer
Chief Executive Officer

DATE: September 22, 2004

SUBJECT: New Jersey Schools Construction Corporation
August Progress Report

Introduction

Approaching its second birthday, New Jersey Schools Construction Corporation (SCC) has hundreds of school construction projects under way and is making tremendous progress in the building of quality schools statewide. This fall, thanks to the diligent efforts of the SCC, thousands of students will be attending brand new state-of-the-art facilities for the first time in their lives.

Kids will begin school this fall in new facilities, for all grade levels, all over the state where SCC has managed construction. Brand new Early Childhood Centers in Garfield, Neptune, Gloucester City, Perth Amboy, Elizabeth and Bridgeton will open their doors for 3-4 year olds. Elementary school students will have their first classes in state of the art facilities in Orange, Passaic, Trenton, Asbury Park, and Manchester. Middle school students in districts like Union City and West New York will reap the benefits of this program for this first time this fall. High school students in Barnegat, East Orange, Paterson, and Jersey City will be able to prepare for college and the workforce also in facilities that incorporate community needs, the newest technologies and educational approaches.

More schools are beginning design and construction as well. During the month of August, 5 districts received notices to proceed for projects with combined construction cost estimates totaling \$8,621,549. Design projects were also given notices to proceed in 4 districts with current construction cost estimates totaling approximately \$67 million.

The SCC executed Section 15 grant agreements with 20 districts in 14 counties that receive less than 55% of their budget in state aid had grants executed totaling \$31,127,470 in direct property tax relief as the state share for projects that totaled \$111,595,257.

Orange School District Holds Ribbon Cutting for New Main Street K-8 School

New K-8 School is One of First SCC New Schools



SCC representatives joined Orange School District educators, area officials and community supporters at a ribbon cutting ceremony for the new Main Street K-8 Elementary School. This one of the first new schools built and completed by the SCC.

The event featured an Open House and tour of the new 123,768-square-foot four-story structure. The Main Street School's new classrooms are providing educational opportunities for approximately 600 Kindergarten through 8th grade students, and include 2 state-of-the-art media centers. The project includes an underground parking garage for the teachers and staff of the new Main Street Elementary School, the first of its kind in the State.



The SCC provided \$21.1 million in funding and oversaw construction of the new school in the North Jersey municipality as part of the state's school construction program. The Main Street School has community features that allow public access to the cafeteria, media centers, and gymnasium after hours for public use. In addition, the school is equipped with an emergency power generator

and can serve as a shelter for the community in times of need.

SCC PROVIDES BERGEN, UNION AND GLOUCESTER COUNTY FAMILIES PROGRESS REPORTS ON SCHOOL CONSTRUCTION PROJECTS



**Bergen County Executive
Dennis McNerney**

In an effort to inform the state's residents about the progress of the state's school construction program, the Corporation, held a series of countywide town meetings. The meeting is part of SCC's ongoing effort to educate and in



**Mr. Nicholas Perrapato,
Garfield Superintendent Schools
with Jack Spencer**

the school construction projects in their towns.

The Bergen meeting, hosted jointly by Bergen County Executive, Dennis McNerney, consisted of a general overview of how the state's school construction program works and the type of projects occurring in Bergen County.

The Union County meeting, hosted jointly by the school district and Senator Raymond Lesniak, also consisted of a general overview of how the state's school construction program works and the type of projects occurring in Union County. This meeting was held in the Union High School Auditorium.



**Jack Spencer with State Senator Fred Madden, Washington
Township Schools Superintendent Thomas Flemming**



**State Senator Raymond Lesniak
at Union County Meeting**

The Gloucester meeting, occurred in the Washington Township Performing Arts High School hosted jointly by Senator Fred Madden, consisted of a general overview of how the state's school construction program works and the type of projects occurring in Gloucester County held a countywide town meeting in the auditorium.

Construction Update

SCC Awards Contract For New Garfield Middle School *State Fully Funding \$35 Million Construction of 1,200-Student Facility*

The SCC Board of Directors awarded a \$35 million contract to Torcon, Inc. of Westfield, NJ, for the construction of the new Garfield Middle School, a 178,00-square-foot facility that will provide 21st century educational opportunities for 1,200 students in 6th through 8th grades. SCC approved the contract with Torcon, Inc. at its board meeting July 28.

Skanska USA Building Inc. of Parsippany, NJ, is serving as the project management firm.



The school will include 45 general classrooms, eight special education rooms, a large instruction room, eight small-group instruction rooms, media center, art and music rooms, computer and science labs, a greenhouse, cafetorium with stage, kitchen, gymnasium and administrative offices.

Construction Starts

The SCC awarded 7 construction packages in 5 districts during the month of August for combined construction cost estimates totaling \$8,621,549. These awards will involve 7 schools in various districts including: Irvington, Garfield, Gloucester City, East Orange and Union City.

As of August 31, 2004, the SCC has entered into 413 construction contracts that total \$1,927,971,235. Since January 2004, the SCC has entered into 47 construction contracts for projects worth approximately \$563 million.

Contractor Procurement

The SCC advertised 10 construction packages for 3 school districts in the month of August, which will impact 3 schools. A full list of the construction advertisements for August is attached as Exhibit B.

Design bids were sought for 3 schools in 3 districts in August as well. The list of those advertisements is attached as Exhibit C.

Design update

In August, SCC issued notices to proceed for 4 projects in as many districts. These will ultimately yield work in Newark, Elizabeth Jersey City and Paterson for projects with current construction cost estimates totaling approximately \$67 million.

As of August 31, 2004, the SCC has entered into 259 design contracts with a total value of \$323,323,777, as well as assumed an additional 74 architectural assignments that totaled \$97,886,412. Since January 2004, the SCC has entered into 32 design contracts with current construction cost estimates totaling approximately \$586.5 million.

Predevelopment & Land Acquisition

At the August Board meeting, the directors granted contingent approval for land acquisition to take place for several projects. One such approval was for a 2.89-acre tract of land adjacent to the Coopers Poynt Elementary School in Camden to make way for a

replacement school. The new K-6 elementary school will be a 2-story, 91,5000 gross square foot facility that will serve 675 students.

As of August 31, 2004, the SCC has entered into 1,007 site acquisition contracts for appraisals, site evaluations, environmental investigations, title services and actual acquisitions totaling \$230,194,426.

School District Grants

The SCC executed Section 15 grants with 20 districts that receive less than 55% of their funding in state aid. The total project costs for these grants are expected to be \$111,595,257, with a state share anticipated to be worth \$31,127,470 of that total.

Several districts received multiple grant awards in August. Montclair in Essex County will receive grants for 13 projects at schools in that district. The total projects costs are expected to be \$843,172, with a state share of \$337,269. The West Orange school district also in Essex County will receive \$10,900,803 toward 7 projects, worth \$49,073,052. Howell Township in Monmouth County will receive grants for 6 schools with total project costs of \$1,090,877, of which the state will pay \$483,625. Florence Township in Burlington County will receive \$4,141,858 for 2 projects totaling \$10,365,667.

As of August 31, 2004, the SCC has executed 1,587 Section 15 grant agreements with districts that receive less than 55% of their budget in state aid for total project amounts of \$5,112,755,627, for which the state share totaled \$1,577,240,433. This work will take place in 1,127 schools in 403 districts located in all 21 counties.

Office of Diversity and Emerging Business Markets

The SCC, through the Office of Diversity and Emerging Business Markets, continues to work aggressively to provide tools for small businesses to maximize their opportunities within New Jersey's \$8.6 billion school building program. The Office of Diversity is focused on helping small-, women- and minority-owned firms grow and become viable in the overall construction industry and the agency's commitment to having every SCC contract require 25% participation by small businesses enterprises. This includes not only contracts for construction and design, but also for goods and services.

We also identified 120 prime construction contracts set aside for small business enterprises (SBE's), with an estimated value of \$241 million. The contracts will be bid in fiscal year 2004.

At the forefront of SCC's efforts has also been the creation of a Surety Bonding and Working Capital Program, which is designed to enhance the ability of these small firms to compete for school construction contracts. The bonding services entail providing bonding to contractors through six surety firms, assistance in marketing the program to small firms that could take advantage of this help, mentoring clients through the bonding process, providing business assessment services including such items as net worth

evaluation and cash flow analysis. The working capital aspect involves assisting contractors bonded under the program in obtaining working capital. These contractors will be provided with access to underwriting services through public and private sources.

These programs address fundamental barriers that firms historically have encountered in accessing necessary bonding and lending resources to compete for, and complete, construction jobs. The programs were tailored to the task at hand, with SCC acting as facilitator to allow small businesses to connect directly with private sector firms able to provide the necessary capital. Ongoing results are positive: The initiative has successfully provided \$8 million in surety underwriting for minority- and women-owned business.

Conferences/Presentations

Camden Planning Board Meeting, 8/10/2004, Camden

SMPS/PSMA National Conference – Build Business, 8/12/2004, New York

B2B Small Business Symposium Series: Strategies for Growing Your Business, 8/17/2004, Newark

Pemberton BOE Meeting on ECC Progress, 8/17/2004, Pemberton

SCC Bergen Town Meeting, 8/17/2004, Garfield

Perth Amboy ECC Ignazio Cruz Press Tour, 8/19/2004, Perth Amboy

NJ Institute for Social Justice Newark/Essex Construction Careers Program Graduation, 8/19/2004, Newark

NJ State Building & Construction Trades Council, AFL-CIO 100th Annual Convention, 8/24/2004, Atlantic City

SCC Union County Town Meeting, 8/24/2004, Union Township

Orange Main Street School Open House, 8/25/2004, Orange

Barnegat High School VIP Tour, 8/25/2004, Barnegat

SCC Gloucester County Town Meeting, 8/25/2004, Sewell

Contractor Training Program Networking & Information Session, 8/26/2004, West Paterson

SCC Ocean County Town Meeting, 8/30/2004, Bayville

SCC Monmouth County Town Meeting, 8/31/2004, Freehold

John F. Spencer

Prepared by: George Strachan

Attachments

<u>District</u>	<u>Schools</u>	<u>Description of Work</u>	<u>Contract Award</u>	<u>Notice to Proceed</u>
East Orange	East Orange Campus HS	Construct an approximately 16,050 SF auditorium addition and connecting corridor at Campus High School. The	\$3,900,000.00	8/9/2004
		work includes sitework, structural steel, masonry, roofing, HVAC, plumbing, electrical, sound systems, stage lighting,		
		and auditorium seating.		
Irvington	University Six School	Painting of select areas. Work to be done in close coordination with other primes - (1)GC Work; (2)Demo	\$49,800.00	8/10/2004
Irvington	University Six School	Selective building demolition & abatement. Work to be done in close coordination with other primes - (1)GC Work;	\$548,749.00	8/11/2004
		(2)Painting		
Garfield	New Middle School	Painting, ceiling tile, flooring, and miscellaneous site improvements for the construction of a new middle school of	\$2,383,000.00	8/19/2004
		approximately 178,000 GSF located in Garfield, NJ.		
Irvington	Augusta Elementary School	Demolition of annex building, 1910 building and exterior selective demolition inside 1950 building. Work will	\$342,000.00	8/25/2004
		require close coordination with other primes - (1)General Construction and (2)Abatement		
Gloucester	Cold Spring ES Early Childhood -	Project consists of the removal of 18 temporary classrooms units (TCU), restoration of the TCU site to its previous	\$534,000.00	8/26/2004
	Addition	use as a soccer field and the addition of a 23 space parking lot.		
Union City	New Schlem ECC	Demolition of existing Schlem building and remediation of contaminated soil, located at 2200 JFK Blvd., Union City.	\$864,000.00	8/26/2004

Construction Bid Advertising and Bid Due Dates as of October 20, 2004

Package #	District	Description of Work	# of Schools	Advertised Web Date	Advertised Newspaper Date	Bid Due Date
HU-0001-C02 RB1	Harrison	New Harrison H.S. & Athletic Fields Sitework	1	8/12/04	8/18/04	9/15/04
HU-0001-C03 RB1	Harrison	New Harrison H.S. & Athletic Fields Fencing	1	8/12/04	8/18/04	9/15/04
ST-0025-C01	Vineland	Veterans Memorial Project	1	8/20/04	8/25/04	10/28/04
WT-0004-C03	Trenton	Trenton Central HS Acoustical Wall panels at the G Addition	1	8/26/04	9/1/04	10/7/04
WT-0004-C04	Trenton	Trenton Central HS Athletic Equipment at the G Additon	1	8/26/04	9/1/04	10/7/04
WT-0004-C05	Trenton	Trenton Central HS Metal Gratings at the G Additon	1	8/26/04	9/1/04	10/7/04
WT-0004-C06	Trenton	Trenton Central HS Metal Gratings at the G & H Additions	1	8/26/04	9/1/04	10/6/04
WT-0004-C07	Trenton	Trenton Central HS Excavation/Backfill/Footings and Foundations at G & H Additions	1	8/26/04	9/1/04	10/8/04
WT-0004-C08	Trenton	Trenton Central HS Exterior Restoration	1	8/26/04	9/1/04	10/8/04
WT-0004-C09	Trenton	Trenton Central HS Fencing	1	8/26/04	9/1/04	10/6/04

Design Bid Advertising and Bid Due Dates as of October 20, 2004

Package #	District	Description of Work	# of Schools	Advertised <i>Web Date</i>	Advertised Newspaper Date	Form 200 Due Date
NT-0038-A01	Garfield	Woodrow Wilson #5 E.S.	1	8/2/04	N/A	8/6/04
NT-0039-A01	Garfield	Abraham Lincoln #6 E.S.	1	8/2/04	N/A	8/6/04
PM-0025-P01	Newark	Construction Management Services – Newark		8/3/04	N/A	8/13/04
ET-0072-A01	Asbury Park	Bangs Ave. E.S.	1	8/27/04	N/A	9/1/04